

Message Text

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R 130140Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE

AMEMBASSY KUALA LUMPUR

AMEMBASSY BANGKOK

INFO AMEMBASSY SAIGON

AMEMBASSY PHNOM PENH

AMEMBASSY VIENTIANE

AMEMBASSY RANGOON

C O N F I D E N T I A L STATE 176399

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E.O. 11652: GDS

TAGS: ASEAN

SUBJECT: US-ASEAN ECONOMIC CONSULTATIONS

FROM DEPUTY SECRETARY TO AMBASSADORS

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1. DEPARTMENT HAS GIVEN THOROUGH CONSIDERATION TO PROPOSITION THAT WE HOLD ECONOMIC CONSULTATIONS WITH ASEAN. AFTER WEIGHING PROS AND CONS (SEE BELOW), WE BELIEVE THAT ON BALANCE THERE IS MERIT IN HAVING SUCH CONSULTATIONS. BEFORE PROCEEDING, HOWEVER, WE WOULD LIKE TO HAVE YOUR VIEWS WHETHER YOU SEE MAJOR OBJECTIONS.

2. HERETOFORE, WE HAVE AVOIDED TOO CLOSE TIE-IN WITH ASEAN IN THE BELIEF THAT WE DO NOT WISH TO INHIBIT SPONTANEOUS ASIAN INITIATIVE AND SELF-RELIANCE MANIFESTED IN ASEAN. WE ALSO ASSUMED THAT ASEAN WOULD WISH TO KEEP A DISTANCE FROM U.S. AS A 'GREAT POWER. HOWEVER, BY NOW BOTH JAPAN AND EEC HAVE HELD CONSULTATIONS WITH ASEAN AND U.S. WOULD ONLY FOLLOW AS THIRD OF MAJOR INDUSTRIAL ENTITIES. ALSO IN A NUMBER OF INTERNATIONAL ORGANIZATIONS (UNCTAD, GATT), ASEAN COUNTRIES HAVE RECENTLY SPOKEN AS A GROUP SUGGESTING THAT THEY WOULD WELCOME RECOGNITION AS SUCH. IN UNCTAD

MEETING ON PREFERENCES LAST MAY, ASEAN PRAISED THE EEC FOR HAVING HELD CONSULTATIONS. (GENEVA 3333, MAY 28 AND GENEVA 4609, JULY 19)

3. PROPOSAL CORRESPONDS TO OUR PRESENT ENDEAVOR TO INTENSIFY U.S. ECONOMIC CONTACTS WITH MORE ADVANCED DEVELOPING COUNTRIES AND TO SHIFT FOCUS OF OUR ECONOMIC RELATIONS FROM AID DONOR-RECIPIENT RELATIONSHIP TO A BROADER ECONOMIC FRAMEWORK ENCOMPASSING TRADE, INVESTMENT, MONETARY ISSUES, SCIENCE AND TECHNOLOGY COOPERATION, PROBLEMS OF ENERGY, RAW MATERIALS, ETC. CONSULTATION COULD COVER CONSIDERATION OF POLICY ISSUES WHICH ARISE IN WIDER MULTILATERAL FORA SUCH AS MTN AND COULD BE PARTICULARLY USEFUL FOR SEEKING BETTER UNDERSTANDING OF OUR VIEWS AND POSITIONS IN VARIOUS UN ECONOMIC BODIES WHERE WE FACE INCREASING CONFRONTATION WITH THE DEVELOPING COUNTRY BLOC.

4. SPECIFICALLY, WE SEE FOLLOWING PROS AND CONS FOR PROPOSED CONSULTATIONS:

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PROS

A. ECONOMIC TALKS BETWEEN U.S. AND ASEAN WOULD INTENSIFY ECONOMIC CONTACTS WITH A GROUP OF MORE ADVANCED COUNTRIES ON SUCH QUESTIONS AS TRADE AND INVESTMENT AND HELP US MOVE FOCUS GRADUALLY AWAY FROM PRE-OCCUPATION WITH AID RELATIONSHIP.

B. DEALING WITH ASEAN AS A GROUP RATHER THAN WITH EACH OF ITS MEMBERS INDIVIDUALLY WOULD HAVE ADVANTAGE OF REDUCING BUREAUCRATIC BURDEN. SIDE TALKS WITH ASEAN MEMBERS ON SPECIFIC BILATERAL ISSUES COULD BE HELD AROUND MAIN TALKS. (FOR BANGKOK: IF RTG AGAIN RAISES THEIR DESIRE FOR BILATERAL TALKS, WE WOULD KEEP TO OUR COMMITMENT. SHOULD CONSULTATIONS WITH ASEAN BECOME PERIODIC, WE HOPE THAT COMMITMENT TO RTG COULD BE MERGED INTO ASEAN TALKS.)

C. TALKS WITH ASEAN WOULD BE MORE POLICY ORIENTED AND DEAL LESS WITH SPECIFIC BILATERAL COMPLAINTS OR GRIEVANCES.

D. TALKS MAY DEVELOP INTO USEFUL INSTRUMENT IN OUR EVOLVING STRATEGY TO IMPROVE OUR STANDING WITH NON-ALIGNED.

E. TALKS WOULD PROVIDE USEFUL FORUM WHERE U.S. COULD CONSULT ON SUCH SPECIAL TOPICS AS MTN, GSP, ETC.

F. TALKS WITH ASEAN MAY PROVIDE US WITH ADDITIONAL AVENUES TO EXERT SOME INFLUENCE ON INDONESIA, LARGEST AND IN MANY RESPECTS MOST IMPORTANT MEMBER OF GROUP.

G. TALKS WOULD GIVE BOOST TO REGIONAL COOPERATION AMONG ASEAN COUNTRIES.

H. ENHANCED REGIONAL COOPERATION WOULD EXTEND BEYOND PRESENT MEMBERS OF ASEAN. ASEAN HAS REGULARLY INVITED INDOCHINA STATES AND BURMA AS OBSERVERS TO ITS MAJOR MEETINGS AND IT HAS DONE SO AT TIME OF CONSULTATIONS WITH EEC. SOME OF THEM HAVE ATTENDED.
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I. GLOBALLY, US-ASEAN ECONOMIC CONSULTATIONS WOULD RECONFIRM OUR POLICY OF SEEKING NON-DISCRIMINATORY WORLDWIDE OPEN ECONOMIC SYSTEM WHICH SOME MAY HAVE QUESTIONED IN LIGHT OF OUR RECENT INITIATIVES VIS-A-VIS LATIN AMERICA.

5. CONS

A. US-ASEAN TALKS ARE LIKELY TO BE USED BY ASEAN AS ANOTHER FORUM TO PRESSURE U.S. FOR ECONOMIC CONCESSIONS.

B. TOO CLOSE U.S. INVOLVEMENT WITH ASEAN WOULD ADVERSELY AFFECT THIS ASIAN INITIATIVE AND HURT ASEAN

SENSITIVITIES.

C. ENHANCING REGIONAL ECONOMIC COHESION MAY WORK AGAINST SOME U.S. INTERESTS.

D. BECAUSE ASEAN IS LOOSE-KNIT ORGANIZATION AND BECAUSE ECONOMIC COOPERATION AMONG ITS MEMBERS IS IN ITS EARLY STAGES, TALKS MAY LACK SPECIFICITY.

E. TO EXTENT WE WISH TO USE THESE TALKS TO INFLUENCE POLICIES OF ASEAN MEMBERS, WE HAVE NO ASSURANCE THAT WE WILL REACH KEY POLICYMAKERS.

6. AS STATED BEFORE, WE BELIEVE THAT ADVANTAGES OUTWEIGH DISADVANTAGES AND SOME OF THE DANGERS AND RISKS CAN BE MITIGATED. TALKS WOULD BE PURELY CONSULTATIVE; SUCH TALKS SHOULD NOT BE CONSTRUED AS BEAR-HUG, ON CONTRARY IT SHOULD ENHANCE ASEAN'S STATURE. WE COULD GUARD AGAINST THE DANGER OF ASEAN PRESSURES FOR ECONOMIC CONCESSIONS BY STRUCTURING AGENDA IN SUCH A FASHION THAT IT ENCOMPASSES A BROADER PERSPECTIVE OF ECONOMIC TRENDS AND DEVELOPMENT AND ALSO BY USING OPPORTUNITY TO PRESENT U.S. DESIDERATA ON ASEAN COUNTRIES' POLICIES IN FIELD OF TRADE, INVESTMENT, ETC.

7. SHOULD YOU PERCEIVE NO OBJECTIONS TO THE PROPOSAL, CONFIDENTIAL

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WE WOULD LIKE TO EXPLORE INFORMALLY ASEAN RECEPTIVITY AND, IF POSSIBLE STIMULATE THEM TO TAKE INITIATIVE. WE HAD IN MIND THAT FOLLOWING YOUR FAVORABLE RESPONSES, WE WOULD SEEK CLEARANCES FROM OTHER RELEVANT DEPARTMENTS AND AGENCIES AND THEN INSTRUCT AMBASSADOR NEWSOM TO EXPLORE WITH FOREIGN MINISTER MALIK. SHOULD YOU HAVE OTHER VIEWS REGARDING APPROACH, WE WOULD WELCOME YOUR SUGGESTIONS.

8. TIME, PLACE, AGENDA AND LEVEL OF REPRESENTATION WOULD HAVE TO BE CONSIDERED LATER AND IN COOPERATION WITH OTHER WASHINGTON AGENCIES. OUR TENTATIVE THINKING IS THAT IF THERE IS RECEPTIVITY TOWARD IDEA AND IF TRADE REFORM ACT PASSES IN FORESEEABLE FUTURE, IT WOULD BE USEFUL TO HAVE TALKS REASONABLY SOON AFTER ENACTMENT OF TRA. WE WOULD ENVAGE TALKS WOULD BE HELD ON SUB-CABINET LEVEL, USDEL WOULD BE CHAIRED BY STATE. WHILE WE HAVE IN MIND PERIODIC CONSULTATIONS, WE WOULD SUGGEST TO EXPLORE ASEAN RECEPTIVITY ONLY FOR ONE CONFERENCE AT THIS TIME. WE THINK THAT IT MAY BE APPROPRIATE TO HAVE CONSULTATIONS IN ONE OF ASEAN CAPITALS.

9. WOULD APPRECIATE YOUR EARLY VIEWS. KISSINGER

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